

UNION TOWNSHIP
GRAND TRAVERSE COUNTY, MICHIGAN
GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2004

TABLE OF CONTENTS

<u>Page</u>	
	Organization 1
	Independent Auditor's Report 2-3
	General Purpose Financial Statements:
	Combined Balance Sheet - All Fund Types and Account Group 4
	Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund Types 5
	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Types 6
	Notes to Financial Statements 7-17
	Supplementary Data:
	Combining and Individual Fund Statements:
	Combining Balance Sheet - Agency Funds 18
	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund 19-20
	Statements of Changes In Assets and Liabilities- Tax Collection Fund-Agency Fund 21
	Statements of Changes In Assets and Liabilities- Payroll Fund/Trust Fund 22
	Comments and Recommendations 23

INTRODUCTORY SECTION

UNION TOWNSHIP
ORGANIZATION
MARCH 31, 2004

=====

OFFICERS AND BOARD MEMBERS

Doug Mansfield	Supervisor
Sheree Stein	Clerk
Charlotte LaFeve	Treasurer
Debra Birgy	Trustee
Rhoda Ritter	Trustee

Members of the Township Board
Union Township
Grand Traverse County, Michigan

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of Union Township, Michigan, as of and for the year ended March 31, 2004 as listed in the table of contents. These financial statements are the responsibility of Union Township's, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Since it was not practical to extend our auditing procedures into the prior unaudited year, we are unable to express an opinion on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the effects of the omission of the information mentioned in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Union Township, Michigan, as of March 31, 2004, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Union Township
Independent Auditor's Report
Page Two

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental financial data listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Union Township. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bary E. Zandetti, CPA, PC

May 20, 2004

FINANCIAL SECTION

Financial Statements

UNION TOWNSHIP
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
MARCH 31, 2004
=====

	Governmental Fund Types	
	<u>General</u>	<u>Special Revenue</u>
<u>ASSETS</u>		
Cash	\$ 99,981	\$19,065
Taxes receivable	2,403	
Prepaid insurance	732	
Due from other funds	1,998	
Land & improvements		
Buildings		
Furniture & office equipment		
TOTAL ASSETS	<u>\$105,114</u>	<u>\$19,065</u>
 <u>LIABILITIES & FUND EQUITY</u>		
LIABILITIES:		
Due to other funds	\$ _____	\$ _____
TOTAL LIABILITIES	_____	_____
FUND EQUITY:		
Investment in general fixed assets		
Fund balance:		
Unreserved	<u>105,114</u>	<u>19,065</u>
TOTAL FUND EQUITY	<u>105,114</u>	<u>19,065</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$105,114</u>	<u>\$19,065</u>

See notes to financial statements.

<u>Fiduciary Fund Type</u>	<u>Account Group</u> General Fixed Assets	Totals (Memorandum Only)
\$ 1,998	\$	\$ 121,044
		2,403
		732
		1,998
	2,500	2,500
	64,304	64,304
	<u>8,963</u>	<u>8,963</u>
<u>\$ 1,998</u>	<u>\$ 75,767</u>	<u>\$ 201,944</u>
<u>\$ 1,998</u>	<u>\$</u>	<u>\$ 1,998</u>
<u>1,998</u>		<u>1,998</u>
	75,767	75,767
		<u>124,179</u>
	<u>75,767</u>	<u>199,946</u>
<u>\$ 1,998</u>	<u>\$ 75,767</u>	<u>\$ 201,944</u>

UNION TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004
=====

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
REVENUES:			
Taxes	\$ 25,696	\$	\$ 25,696
Licenses and permits	686		686
Federal grants	14		14
State grants	29,047		29,047
Charges for services	4,665		4,665
Interest	3,882		3,882
Other revenue	6,300		6,300
TOTAL REVENUES	70,290		70,290
EXPENDITURES:			
Current:			
Legislative	3,557		3,557
General government	34,895		34,895
Public safety	29,380		29,380
Public works	2,117		2,117
Other	7,318		7,318
TOTAL EXPENDITURES	77,267		77,267
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES)	(6,977)		(6,977)
OTHER FINANCING SOURCES (USES):			
Operating transfers in		5,000	5,000
Operating transfers (out)	(5,000)		(5,000)
TOTAL OTHER FINANCING SOURCES (USES)	(5,000)	5,000	
EXCESS OF REVENUE AND OTHER SOURCES (USES) OVER (UNDER) FINANCING AND OTHER USES	(11,977)	5,000	(6,977)
FUND BALANCE, beginning	117,091	14,065	131,156
FUND BALANCE, ending	\$ 105,114	\$ 19,065	\$ 124,179

See notes to financial statements.

UNION TOWNSHIP
**STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GOVERNMENTAL FUND TYPES**
 FOR THE YEAR ENDED MARCH 31, 2004

	General Fund		
	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 41,228	\$ 25,696	\$ (15,532)
Licenses and permits	120	686	565
Federal grants	75	14	(61)
State grants	29,000	29,047	47
Charges for services	4,000	4,665	665
Interest	4,500	3,882	(618)
Other revenue	1,200	6,300	5,100
TOTAL REVENUES	<u>80,123</u>	<u>70,290</u>	<u>(9,833)</u>
EXPENDITURES:			
Current:			
Legislative	5,850	3,557	2,293
General government	44,867	34,895	9,972
Public safety	33,290	29,380	3,910
Public works	25,000	2,117	22,883
Other	9,515	7,318	2,197
TOTAL EXPENDITURES	<u>118,522</u>	<u>77,267</u>	<u>41,255</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(38,399)</u>	<u>(6,977)</u>	<u>31,422</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in			
Operating transfers (out)	<u>(5,000)</u>	<u>(5,000)</u>	
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,000)</u>	<u>(5,000)</u>	
EXCESS OF REVENUES AND OTHER SOURCES (USES) OVER (UNDER) FINANCING AND OTHER USES	<u>(43,399)</u>	<u>(11,977)</u>	<u>31,422</u>
FUND BALANCE, beginning	<u>112,071</u>	<u>117,091</u>	<u>5,020</u>
FUND BALANCE, ending	<u>\$ 68,672</u>	<u>\$ 105,114</u>	<u>\$ 36,442</u>

See notes to financial statements.

<u>Special Revenue Funds</u>		
<u>Amended</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
\$	\$	\$
5,000	5,000	
5,000	5,000	
5,000	5,000	
14,065	14,065	
<u>\$ 19,065</u>	<u>\$ 19,065</u>	<u>\$</u>

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
=====

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Union Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Auditing Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Township are described below.

A. Reporting Entity

Union Township was organized between 1880 and 1890. The Township operates under an elected Board (5 members) and provides services to its more than 417 residents in many areas including fire protection and planning.

In evaluating how to define the Township for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in NCGA Statement 3. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Township's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Township and/or its citizens, or whether the activity is conducted within the geographic boundaries of the Township and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Township is able to exercise oversight responsibilities. Based upon the application of these criteria, the financial statements of certain other governmental organizations are not included in these financial statements.

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

=====

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation

The accounts of the Township are organized on the basis of funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund balance, and revenues and expenditures or expenses, as appropriate.

Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two broad fund type categories and two funds as follows:

Governmental Fund Type

These Funds are those through which most governmental functions typically are financed. The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of the financial resources) rather than upon net income. The following is a description of the Governmental Fund Type of the Township:

General Fund

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, State distributions, grants, and other intergovernmental revenues.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes. This fund includes the Township Improvement Revolving Fund.

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

=====

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation - Continued

Fiduciary Fund Type

Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Township has one Fiduciary Fund Type which has two individual funds as follows:

Agency Funds

Agency Funds are purely custodial (assets equal liabilities) and thus, do not involve measurement of results of operations. The Township's Trust and Agency Fund and Current Tax Collection Fund are Agency Funds.

Account Group

Account Groups are not funds; they do not reflect available financial resources and related liabilities, but are accounting records of the following:

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to maintain control and cost information for all fixed assets of the Township utilized in its general operations.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

=====

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Basis of Accounting - Continued

Modified Accrual

All Governmental Funds (General Fund) are accounting for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, property taxes and other revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Taxpayer-assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seem certain.

D. Cash and Cash Investments

Deposits are carried at cost. Deposits of the Township are at a local credit union. Act 217, P.A. 1982, authorizes the Township to deposit and invest in the accounts of federally insured banks, insured credit unions and savings and loan associations; bonds and other direct obligations of the United States, or an agency or instrumentality of the United States; United States Government of Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; mutual funds composed of investment vehicles which are legal for direct investment by standard rating agencies within the three highest classifications, which mature not more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund. Michigan law prohibits security in the form of collateral, security bonds, or other forms of the deposit of public money.

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

=====

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Property Tax Revenue Recognition

Property tax revenues are recognized in the fiscal year for which they have been levied and become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay current period liabilities. The current period referred to here is a period of time not exceeding 60 days.

F. Inventories

Materials and supplies are expensed as purchased.

G. General Fixed Assets

The accounting and reporting treatment applied to property, plant and equipment associated with a fund are determined by its measurement focus. All Governmental Fund Types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. There, the reported fund balance (net current assets) is considered a measure of "available spendable resources".

Government fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in Governmental Fund Type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. Depreciation has not been provided on general fixed assets.

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

=====

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. General Fixed Assets - Continued

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

H. Capitalization of Interest on Fixed Assets

Generally accepted accounting principles require that interest expenditures incurred during construction of assets be capitalized. They are capitalized only to the extent that interest cost exceeds interest earned on related interest bearing investments. The Township did not capitalize interest on fixed assets in the current year.

I. Accumulated Fund Deficits

There were no accumulated fund deficits in the individual funds at March 31, 2004.

J. Encumbrance System

The Township does not use an encumbrance system.

K. Allowance for Doubtful Accounts

The Township does not use an allowance for doubtful accounts.

L. Accrued Vacation and Sick Leave

The Township does not maintain a policy providing sick and vacation benefits for its employees.

Corrected

6/15/04

Grand Traverse County

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

=====

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

M. Budgets

Annual operating budgets are adopted by the Township Board for the General Funds in accordance with Public Act 621 of 1978.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

a. At the annual meeting/budget hearing in March, the Supervisor submits to the Township Board, a proposed operating budget for the year commencing the following April 1st. The operating budget includes proposed expenditures and the means of financing them for the General Fund.

b. Public hearings are conducted at the Township Hall to obtain taxpayer comments.

c. At the April Board meeting, the budget is legally enacted on a department (activity) basis through passage of a resolution.

d. Budget amendments are made by the Township Board as the need arises during the year.

e. Formal budgetary integration is employed as a management control device during the year for all budgetary funds. Also, all budgets are adopted on a basis consistent with generally accepted accounting principles.

f. Budget appropriations lapse at year end.

g. The original budget was amended during the year. The budget to actual expenditures in the financial statements represent the amended budgetary expenditures as adopted by the Township Board.

DL

6/25/04

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

=====

NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budget expenditures for the budgetary funds have been shown on a function basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the Township did not incur expenditures in the budgetary funds which were in excess of the amounts appropriated in the General Fund.

NOTE 3: CASH AND CASH INVESTMENTS

The Township's deposits are in accordance with statutory authority. The GASB Statement No. 3 risk disclosure for the Township's cash deposits are as follows:

	<u>Per Book</u>	<u>Per Bank</u>
Insured	\$121,044	\$135,765
Uninsured		
Total	<u>\$121,044</u>	<u>\$135,765</u>

NOTE 4: INTERGOVERNMENTAL AGREEMENTS

Fire Department: The Township has entered into an agreement with the Rural Fire Board of Grand Traverse County to render fire protection to its residents.

Police Department: The Township has entered into an agreement with the Grand Traverse County to provide police protection to its residents.

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2004
 (Continued)

=====

NOTE 5: PROPERTY TAX LEVY

	<u>Mills</u>	<u>Adjusted Levy</u>	<u>Current Collections</u>	<u>Purchased by County</u>	<u>Unpaid Personal Property</u>
Township					
-general	.8039	\$ 13,025	\$ 10,562	\$ 2,403	\$ 59

The Township's Taxable Valuation is \$17,130,890.

Details of the property tax calendar are as follows:

Levy date:	December 31st of the prior year
Lien date:	December 1st
Due date:	December 1st
Collection date:	December 1st through the end of February of the next year

On or about March 1st of each year, the Township Treasurer turns the uncollected real property taxes over to the Grand Traverse County Treasurer for collection.

NOTE 6: PROPERTY TAXES RECEIVABLE

The delinquent real property taxes of the Township are purchased by Grand Traverse County. The County maintains a revolving fund which is used to pay the Township for these property taxes. These taxes have been recorded as revenue for the current year, in the amounts of \$2,462 in the General Fund. The County purchased these taxes in May 2004, which was within the 60 days revenue recognition policy.

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2004
 (Continued)

=====

NOTE 7: CHANGES IN GENERAL FIXED ASSETS

A summary of the changes in general fixed assets follows:

	04/01/03 <u>Balance</u>	<u>Additions</u>	03/31/04 <u>Balance</u>
Land	\$ 2,500	\$	\$ 2,500
Land improvements	15,419		15,419
Buildings	48,885		48,885
Furniture & office equip.	<u>8,963</u>	<u> </u>	<u>8,963</u>
Total	<u>\$ 75,767</u>	<u>\$</u>	<u>\$ 75,767</u>

There were no retirements of general fixed assets during the year.

NOTE 8: INTERFUND TRANSACTIONS

Following is a description of the basic types of interfund transactions and the related accounting policy:

Transactions for services rendered or facilities provided; these transactions are recorded as revenue in the receiving fund and expenditures in the disbursing fund.

Transactions to transfer revenue or contributions from the fund budgeted to receive them to the fund budgeted to expend them; these transactions are recorded as transfers in and transfers out.

Interfund transactions are not eliminated for financial presentation purposes.

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	\$ 1,998	Current Tax	\$
		Collection	1,453
		Trust & Agency	<u>545</u>
	<u>\$ 1,998</u>		<u>\$ 1,998</u>

UNION TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

=====

NOTE 9: PENSIONS

The Township elected to cover its employees under a pension plan through Municipal Retirement Systems, Inc. The election was effective on July 1, 1991 and was in lieu of coverage under the social security system. The plan is known as a Money Purchase Pension plan and the Township is required to contribute 50% of the cost for each employee. Cost to the Township for the year was \$2,800.

NOTE 10: INDIVIDUAL FUNDS PRESENTATION

The General Fund is the only fund of its individual fund kind. Therefore, it is not presented in a combining statement in the supplemental data portion of this report.

NOTE 11: RELATED PARTY TRANSACTIONS

Nothing came to our attention during the audit effort that would warrant separate mention related to transactions between the Township and its employees and/or elected officials.

NOTE 12: SUBSEQUENT EVENTS

No subsequent events have come to our attention that require disclosure at this time.

NOTE 13: COMPARATIVE DATA

Comparative total data for the prior year has not been presented in the accompanying financial statements because prior year financial statements were not prepared.

NOTE 14: TOTAL COLUMN ON COMBINED STATEMENTS - OVERVIEW

The total column on the Combined Statements - Overview is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

SUPPLEMENTARY DATA SECTION

Combining and Individual Fund Statements

UNION TOWNSHIP
COMBINING BALANCE SHEET
AGENCY FUNDS
MARCH 31, 2004
=====

	Trust and <u>Agency</u>	Current Tax <u>Collection</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash	\$ 545	\$1,453	\$1,998
TOTAL ASSETS	<u>\$ 545</u>	<u>\$1,453</u>	<u>\$1,998</u>
 <u>LIABILITIES</u>			
LIABILITIES:			
Due to other funds	\$ 545	\$1,453	\$1,998
TOTAL LIABILITIES	<u>\$ 545</u>	<u>\$1,453</u>	<u>\$1,998</u>

UNION TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
 FOR THE YEAR ENDED MARCH 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
=====			
REVENUES:			
Taxes	\$ 41,228	\$ 25,696	\$(15,532)
Licenses and permits	120	685	565
Federal grants	75	14	(61)
State grants	29,000	29,047	47
Charges for services	4,000	4,665	665
Interest	4,500	3,882	(618)
Other revenue	<u>1,200</u>	<u>6,301</u>	<u>5,101</u>
TOTAL REVENUES	<u>80,123</u>	<u>70,290</u>	<u>(9,833)</u>
EXPENDITURES:			
Current:			
Legislative	5,850	3,557	2,293
General government:			
Supervisor	5,320	5,205	115
Elections	1,700	1,045	655
Attorney	5,000	216	4,784
Assessor	5,137	5,012	125
Clerk	6,250	5,858	392
Board of review	950	629	321
Treasurer	6,650	6,674	(24)
Buildings & grounds	13,860	10,256	3,604
Public safety:			
Police protection	13,640	14,747	(1,107)
Fire protection	10,000	9,338	662
Planning & zoning	9,650	5,295	4,355
Public works:			
Roads	5,000	2,117	2,883
Sanitation	20,000		20,000
Other:			
Fringe benefits	3,515	3,348	167
Insurance	3,500	3,420	80
Contingencies	<u>2,500</u>	<u>550</u>	<u>1,950</u>
TOTAL EXPENDITURES	<u>118,522</u>	<u>77,267</u>	<u>41,255</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(38,399)	(6,977)	31,422

UNION TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
 FOR THE YEAR ENDED MARCH 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES (from previous page)	(38,399)	(6,977)	31,422
OTHER FINANCING (USES):			
Operating transfers (out)	<u>(5,000)</u>	<u>(5,000)</u>	<u> </u>
EXCESS OF REVENUES AND OTHER SOURCES (USES) OVER (UNDER) FINANCING AND OTHER USES	(43,399)	(11,977)	31,422
FUND BALANCE, beginning	<u>112,071</u>	<u>117,091</u>	<u>5,020</u>
FUND BALANCE, ending	<u>\$ 68,672</u>	<u>\$105,114</u>	<u>\$ 36,442</u>

UNION TOWNSHIP
STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES
TAX COLLECTION FUND
AGENCY FUND
 FOR THE YEAR ENDED MARCH 31, 2004

=====

	Balance <u>04/01/03</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>03/31/04</u>
<u>ASSETS</u>				
Cash - checking	\$ -	\$ 440,579	\$ 439,576	\$ 1,003
Cash - savings	<u>10</u>	<u>14,022</u>	<u>13,582</u>	<u>450</u>
 TOTAL ASSETS	 <u>\$ 10</u>	 <u>\$ 454,601</u>	 <u>\$ 453,158</u>	 <u>\$ 1,453</u>
 <u>LIABILITIES</u>				
Due to general fund	\$ 10	\$ 18,437	\$ 16,994	\$ 1,453
Due to other governmental units	<u> </u>	<u>436,164</u>	<u>436,164</u>	<u> </u>
 TOTAL LIABILITIES	 <u>\$ 10</u>	 <u>\$ 454,601</u>	 <u>\$ 453,158</u>	 <u>\$ 1,453</u>

UNION TOWNSHIP
STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES
PAYROLL FUND
TRUST FUND

FOR THE YEAR ENDED MARCH 31, 2004

=====

	Balance <u>04/01/03</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>03/31/04</u>
<u>ASSETS</u>				
Cash - checking	\$ 8	\$ 2,668	\$ 2,671	\$ 5
Cash - savings	<u>518</u>	<u>3,795</u>	<u>3,773</u>	<u>540</u>
 TOTAL ASSETS	 <u>\$ 526</u>	 <u>\$ 6,463</u>	 <u>\$ 6,444</u>	 <u>\$ 545</u>
<u>LIABILITIES</u>				
Accrued withholdings	\$ 526	\$ 6,463	\$ 6,444	\$ 545
 TOTAL LIABILITIES	 <u>\$ 526</u>	 <u>\$ 6,463</u>	 <u>\$ 6,444</u>	 <u>\$ 545</u>

COMMENTS AND RECOMMENDATIONS

Barry E. Gaudette, CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

1107 East Eighth Street
Traverse City, Michigan 49686
(231) 946-8930
Fax (231) 946-1377

Members of the Township Board
Union Township
Grand Traverse County, Michigan

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

This letter supplements the information in the Financial Statements and Notes to the Financial Statements. It is intended solely for the use of management and the Township Board and should not be used for any other purpose.

Barry E. Gaudette, CPA, P.C.

May 20, 2004